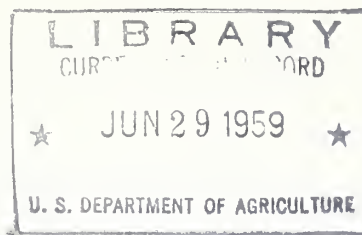


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DEVELOPMENTS IN MARKETING SPREADS FOR AGRICULTURAL PRODUCTS IN 1958

Marketing Research Division • Agricultural Marketing Service • U. S. Department of Agriculture

(Reprinted from Hearings (Part 3) Before the Subcommittee of the Committee on Appropriations, House of Representatives, Eighty-Sixth Congress, First Session)

PREFACE

Congress in 1955 directed the Department of Agriculture to make a number of special studies on price spreads (marketing margins) between farmer and consumer. The Department has published the results of several of these studies. Reports published in 1958 and early 1959 are summarized in this report, which contains material prepared for the Subcommittee of the Committee on Appropriations, House of Representatives. Two similar reports summarize results of earlier studies: Special Margins and Costs Studies, Marketing Research Report No. 167, April 1957; and Special Studies of Marketing Costs and Practices, Marketing Research Report No. 240, October 1958.

The "Marketing Margin"

The marketing margin or farm-retail price spread is an estimate of the charges made by marketing agencies for moving products from the farm to the consumer, including charges for assembling, processing, transporting, and distributing the products.

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June 1959

DEVELOPMENTS IN MARKETING SPREADS FOR AGRICULTURAL PRODUCTS IN 1958

FOOD PRICES AND THE COST OF LIVING

Food prices at retail continued to rise in 1958 and reached a record high during the year. Food is the largest item in most city family budgets. Therefore, rising food prices have received much public attention as a part of the overall rise in the cost of living. Food prices rose more than the average of all consumer prices in 1958. Contrary to prevailing beliefs, however, food prices are not as high in relation to the average of all consumer prices as they were in 1952 and several earlier postwar years. Lower prices received by farmers from the sale of food products have kept food prices from rising as much since 1952 as other consumer prices (fig. 1).

Since World War II, consumer prices on the average have stabilized or declined only when farm prices of food products declined. The drop in prices of food products at the farm level was probably the major factor in preventing any significant overall rise in consumer prices during the 1952-56 period. Conversely, the rise in food prices at retail and at farm levels was a major factor in the substantial increase in the cost of living between mid-1956 and mid-1958, as measured by the Bureau of Labor Statistics Consumer Price Index. The relative stability of the Consumer Price Index during the last few months also has been associated with lower farm prices (fig. 1).

The relatively lower level of food prices compared to the average of all consumer prices since 1952 can be attributed entirely to lower farm prices. Marketing charges have continued to rise, and in 1958 averaged 35 percent higher than in 1947-49 (fig. 2). This increase was substantially greater than the increase of 23 percent in the Consumer Price Index.

RECENT CHANGES IN FOOD PRICES AND MARKETING CHARGES

Gross marketing margins and profits of marketing firms, especially at the retail level, continued to rise last year. Higher farm prices as well as higher marketing charges contributed to the average rise in retail prices between 1957 and 1958. Consequently, the farmer's share of the consumer's retail food dollar was the same in 1958--40 percent--as in the 2 preceding years.

Retail food prices reached an all-time high in the spring of 1958. Farm prices rose sharply in early 1958, largely because of light supplies of meat products and some fresh fruits and vegetables. Marketing charges also increased during this period and continued to trend upward during the entire year. Farm prices have dropped off markedly from the levels reached in early 1958 and have brought retail prices down, but by a smaller amount than the drop in farm prices (fig. 1). The farmer's share averaged 41 percent during the first half of the year but only 39 percent in the latter half because of the declining farm prices.

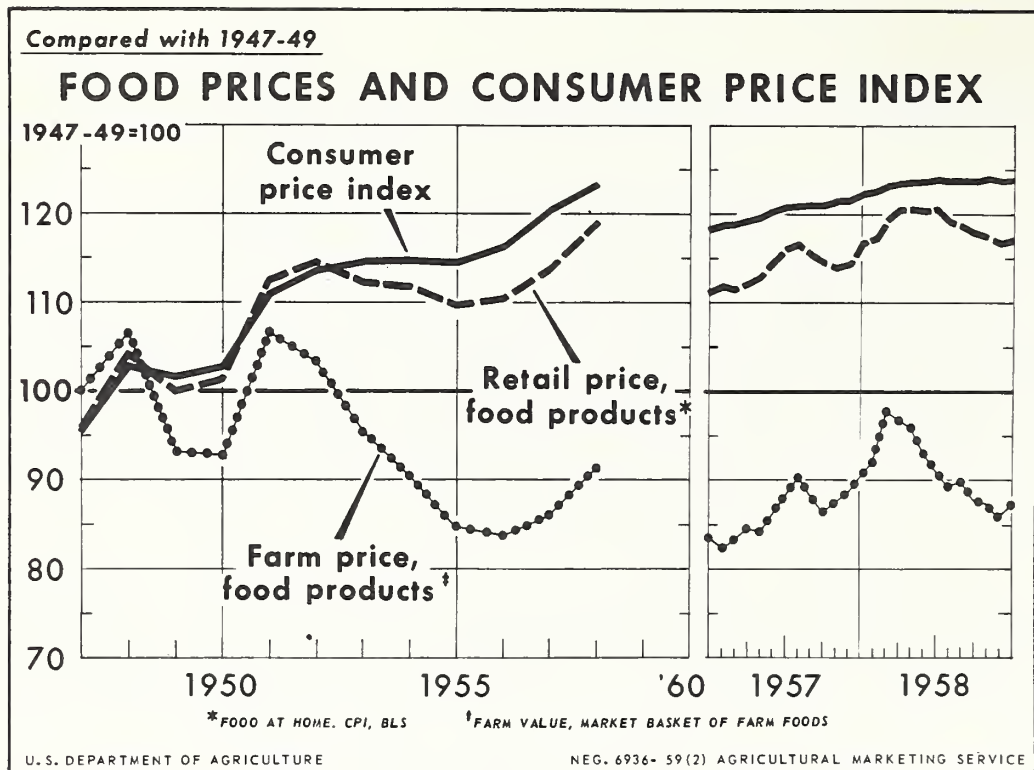


Figure 1

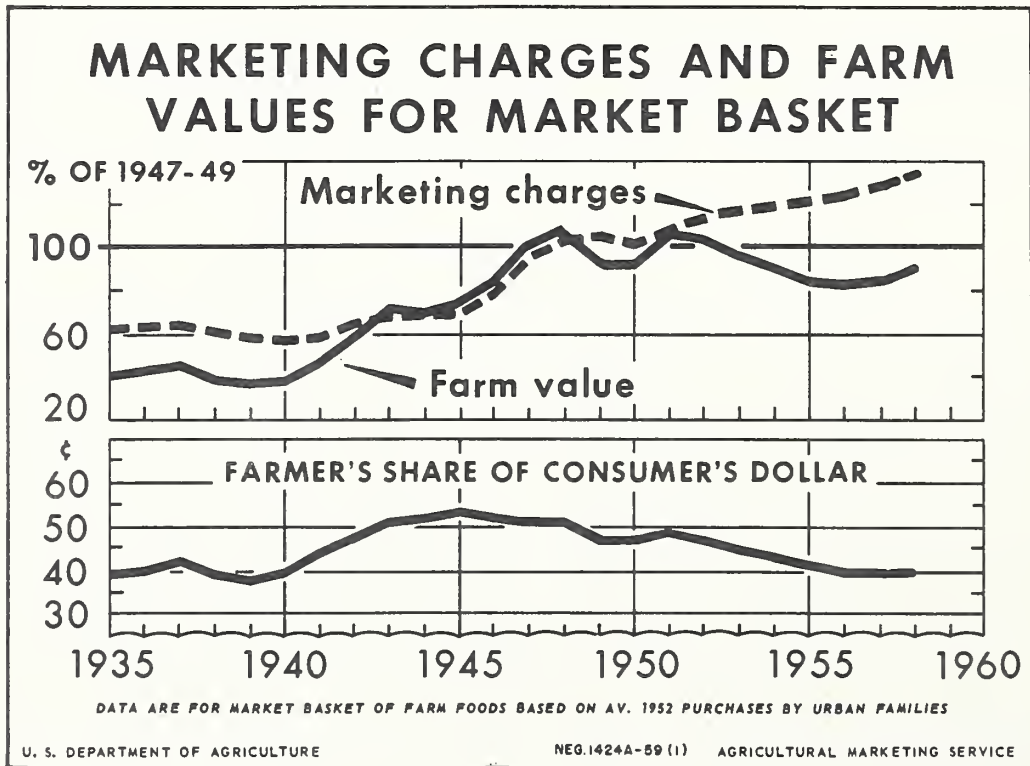


Figure 2

The retail-store cost of a "market basket" of farm food products (representing the average quantity of food purchased annually in retail food stores by an urban workingman's family) was \$1,065 in 1958, an increase of \$58, or almost 6 percent, from 1957. This was the largest year-to-year rise in food prices since 1950-51, at the beginning of the Korean conflict. Of the \$58 increase, higher prices to farmers from the sale of their food products accounted for \$26 and higher farm-retail price spreads \$32. Thus, higher marketing charges made up more than half of the total rise in food prices in 1958.

In comparison with the previous high of \$1,034 in 1952, the retail cost of the "market basket" was \$31, or 3 percent, higher in 1958. The share received by the farmer in 1958 was \$427, compared with \$482 in 1952. However, the farm-retail spread--the share going to marketing agencies--rose from \$552 to \$638, more than offsetting the lower returns to farmers (table 1).

Higher Marketing Costs

Higher costs of performing marketing operations are the major factor in the widening farm-retail price spreads. As illustrated in figure 3, changes in the spread between farm and retail prices of food products are closely related to changes in marketing costs. ^{1/}

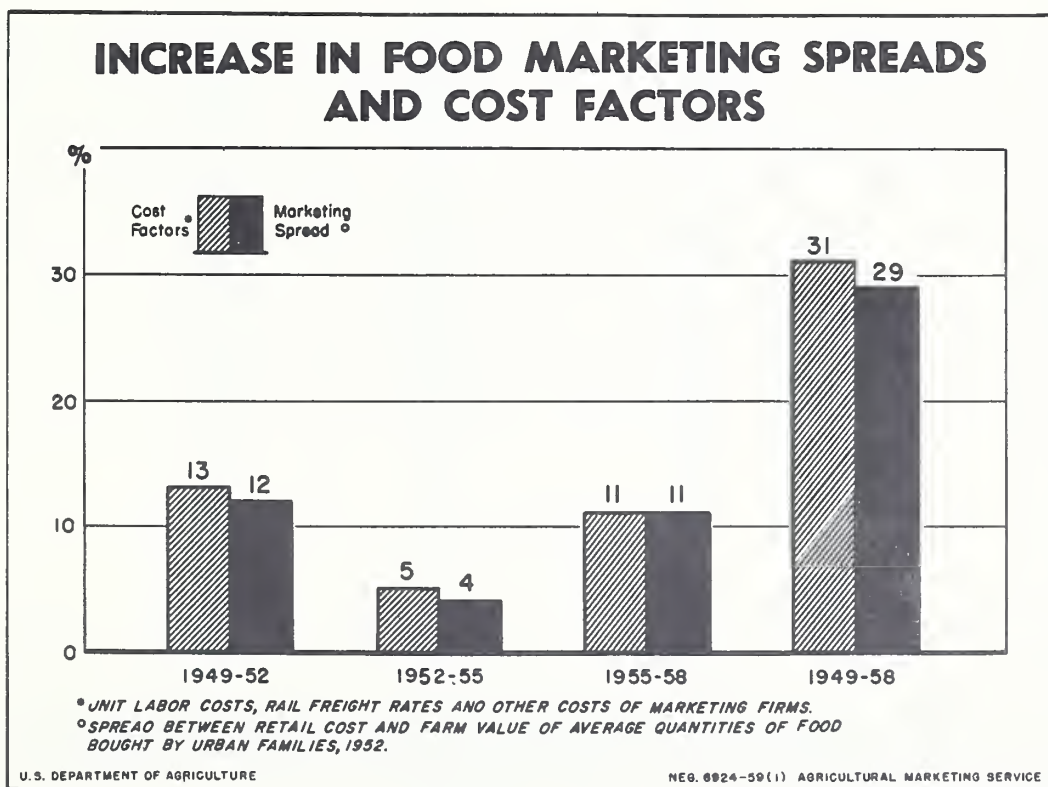


Figure 3

^{1/} The index of marketing costs used in figure 3 measures changes in labor costs, transportation charges, and costs of fuels, utilities, packages and containers, machinery and equipment, and construction.

Table 1.--The farm food market basket: Retail cost, farm value, farm-retail spread, and farmer's share of retail cost, 1947-59 1/

Year and month	Retail cost <u>2/</u>	Farm value <u>3/</u>	Farm-retail spread	Farmer's share
	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Percent</u>
1947.....	911	467	444	51
1948.....	982	497	485	51
1949.....	928	435	493	47
1947-49 average.....	940	466	474	50
1950.....	920	432	488	47
1951.....	1,024	497	527	49
1952.....	1,034	482	552	47
1953.....	1,003	445	558	44
1954.....	986	421	565	43
1955.....	969	395	574	41
1956.....	972	390	582	40
1957.....	1,007	401	606	40
1958.....	1,065	427	638	40
1957:				
Apr.....	992	394	598	40
May.....	1,000	393	607	39
June.....	1,014	402	612	40
July.....	1,029	411	618	40
Aug.....	1,036	421	615	41
Sept.....	1,026	412	614	40
Oct.....	1,017	402	615	40
Nov.....	1,012	408	604	40
Dec.....	1,016	413	603	41
1958:				
Jan.....	1,042	422	620	40
Feb.....	1,049	430	619	41
Mar.....	1,075	456	619	42
Apr.....	1,085	452	633	42
May.....	1,085	447	638	41
June.....	1,084	434	650	40
July.....	1,080	425	655	39
Aug.....	1,065	416	649	39
Sept.....	1,060	419	641	40
Oct.....	1,053	410	643	39
Nov.....	1,049	407	642	39
Dec.....	1,042	400	642	38
1959:				
Jan.....	1,048	407	641	39
Feb.....	1,042	404	638	39
Mar.....	1,036	408	629	39
Apr. <u>4/</u>	1,033	405	628	39

1/ The farmer's share and index numbers of the retail cost, farm value, and farm-retail spread for the years 1913-56 are published in "Farm-Retail Spreads for Food Products," U. S. Dept. Agr. Misc. Pub. 741, 1957.

2/ Retail cost of average quantities of farm foods purchased per urban wage-earner and clerical-worker family in 1952, calculated from retail prices collected by the Bureau of Labor Statistics.

3/ Payment to farmers for equivalent quantities of farm produce minus imputed value of byproducts obtained in processing.

4/ Preliminary estimates.

Labor cost, the most important element in the food marketing bill, increased during 1958 as it has each year since the beginning of World War II, but at a slower rate than in several preceding years. Hourly earnings of employees of food marketing firms averaged \$1.98 in 1958, compared with \$1.90 in 1957. This increase of 4 percent was less than the 5-percent increase in marketing charges and the 6-percent rise in retail prices of farm food products. Furthermore, the productivity of food industry workers continued to increase, so that the rise in average labor cost per unit of food marketed was less than the rise in wages. Compared with 1947-49, labor costs per unit of food marketed have increased only half as much as hourly earnings because of greater efficiency in the use of labor, made possible by the substitution of large amounts of labor-saving machinery and the introduction of improved work methods.

Transportation rates and costs of materials and supplies have followed the general upward trend in prices in the postwar period. Rail freight rates are up over 80 percent since 1945; they increased about 4 percent in 1958. Prices of containers and packaging materials, motortrucks, machinery and equipment, and many other commodities (not including raw materials) bought by marketing firms continued to rise in 1958, but increases generally were more moderate than in most recent years.

The farm-retail spread for the market basket has risen by a considerably larger amount in the last 2 years than in the preceding 4 years (table 2). Increases in labor costs, transportation costs, and costs of supplies and materials have accounted for some but not all of this accelerated rise in the farm-retail spread. Changes in other cost factors and profits may account for some of this difference. Advertising and promotional expenses have made up an increasingly large part of marketing firms' operating expenses. A summary of operating data for 30 food chains revealed that gross margins as a percentage of sales rose from 18.2 percent in 1955 to 20.4 percent in 1957. About half of this increase of 2.2 percentage points in gross margins came from higher advertising expenses, which rose from 0.8 percent of sales to 1.9 percent of sales. Much of the remaining increase in gross margins was reflected in higher profits, as profits, before taxes, rose from 2.4 percent to 3.0 percent of sales.

Trading Stamps

In recent years more and more of the larger food stores are using trading stamps in their efforts to win customers. The cost of buying and handling trading stamps and the counter-promotional activities of nonstamp stores account for a major part of the increased advertising expenses of retail food stores. Findings of a study recently published by AMS indicate that the increased use of trading stamps has added to the average level of food prices. During the period covered by the study, food prices in supermarkets adding stamps increased an average of 0.6 percent more than in stores not adding stamps. However, while trading stamps likely have added to the overall marketing costs for food, the value of the premiums the housewife receives if she redeems her stamps does, in some instances, more than offset any added cost of her groceries.

Table 2.--Changes in farm-retail spread, marketing costs, and unit profits, 1947-58

Year	Marketing costs	Farm-retail spread	Unit profits	Percentage change from preceding year		
	<u>1/</u>	<u>2/</u>	<u>3/</u>	Marketing costs	Farm-retail spread	Unit profits
	(1947-49 = 100)	(1947-49 = 100)	(1947-49 = 100)			
				Percent	Percent	Percent
1947..	91.0	93.7	108	---	---	---
1948..	102.6	102.3	94	12.7	9.2	-13.0
1949..	106.4	104.0	98	3.7	1.7	4.3
1950..	108.4	102.8	115	1.9	-1.2	17.3
1951..	117.4	111.2	96	8.3	8.2	-16.5
1952..	120.1	116.5	95	2.3	4.8	-1.0
1953..	122.7	117.7	99	2.2	1.0	4.2
1954..	125.0	119.0	94	1.9	1.1	-5.1
1955..	125.6	121.2	111	.5	1.8	18.1
1956..	130.0	122.8	123	3.5	1.3	10.8
1957..	135.3	127.8	121	4.1	4.1	-1.6
1958..	139.5	134.5	<u>4/</u>	3.1	5.2	<u>4/</u>

1/ Weighted index of unit labor costs, rail freight rates on agricultural products, and costs of equipment and supplies bought by food marketing firms.

2/ For market basket of farm foods.

3/ Profits (before taxes on income) per unit of food marketed.

4/ Not available.

Other Cost Items

State and local taxes, rents, and insurance rates are among the several other cost items that have risen in many areas of the country and are adding to marketing spreads. Some of the gains in labor efficiency made through expenditures for plant and equipment have been offset by increased capital costs and depreciation allowances.

Profits

Profits are a smaller part of the food marketing bill than items such as labor costs and taxes, but they are not an inconsequential part. From 1951 to 1955, profits (before taxes) per unit of food marketed were below the 1947-49 average (table 2). This was also a period when the overall rise in farm-retail spreads was for the most part relatively modest. But since 1955, profits have risen substantially. Indications are that profits were as high or higher in 1958 than they were in 1957. Profits of food processing companies for the first 3 quarters of 1958 were slightly above the same period for

1957. Financial statements of leading food chains covering various periods of 1958 show that profits of 7 out of 8 companies were higher than for comparable periods in 1957.

Profits in relation to the sales dollar of leading food marketing firms have in general trended upward in recent years, although they are below the relatively high levels in the immediate postwar years (fig. 4). Total profits of these firms, however, have increased sharply because of increased sales volume and higher price levels.

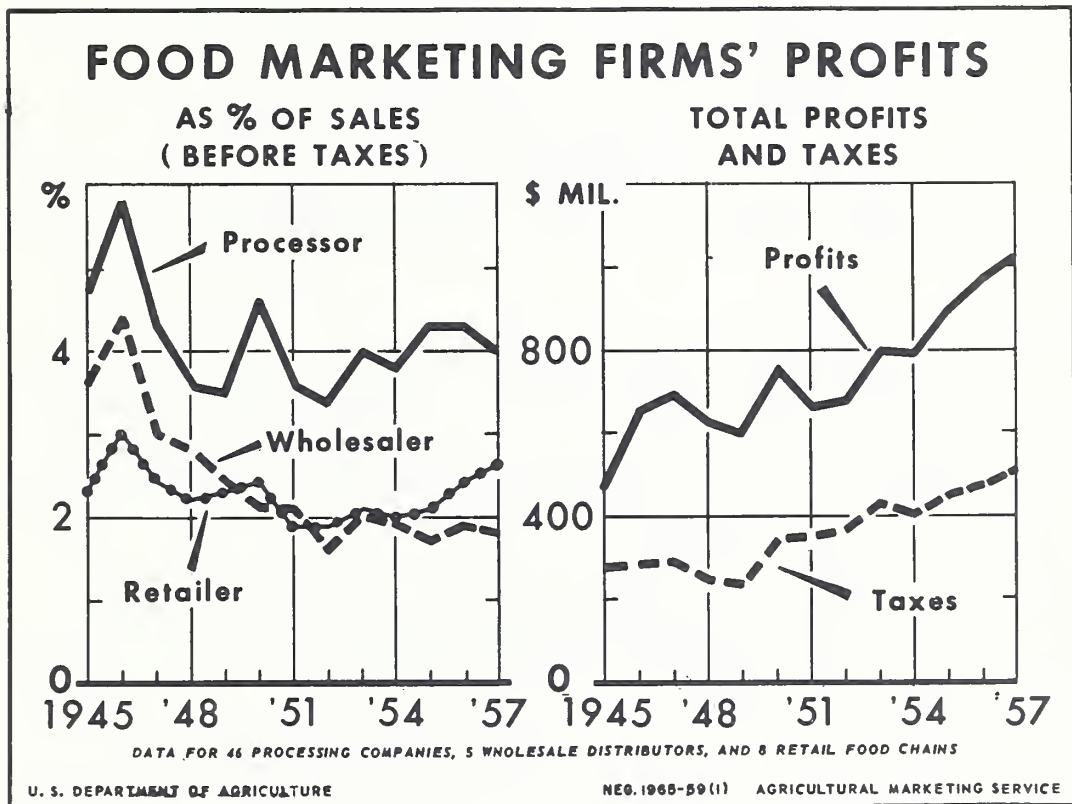


Figure 4

Outlook for Higher Marketing Costs

The upward pressure on marketing costs seems likely to continue. More rigidities--on the downward side--seem to be built into the marketing system than ever before. The upward climb of wages has been only slightly retarded during recent recessionary periods. The continued growth of fringe benefits adds to the inflexibility of labor costs. Also, clerical, administrative, technical, and sales employees have become a larger percentage of the working force. These employees are less subject to layoffs during slack periods than production workers. Taxes, real estate and capital costs, and transportation and utility charges are other items adding to the upward pressure on costs over which marketing firms have little direct control.

MANAGEMENT EFFORTS TO CONTROL COSTS

Emphasis on service competition.--Prices and costs may be reduced through either reducing services provided to consumers or cutting the cost of providing these services. Decreases in services in our growing urbanized economy do not seem likely. In recent years, housewives generally have been willing to buy more rather than fewer services. While housewives have been price-conscious, they also have been intent on obtaining high quality foods, buying foods that are ready-to-cook or ready-to-eat, and buying foods in retail stores that provide them with plentiful parking space, pleasant surroundings, and various types of premiums. Likewise, large food-processing and distributing firms seem to be placing more emphasis on nonprice forms of competition, including provision of various services to their customers.

Management does appear to be seeking solutions to the ever-present pressure of costs on prices by: (1) Substitution of capital for labor; (2) volume buying; (3) volume selling; and (4) cost control through integration of buying and selling functions. These efforts are having marked effects on the organization of the marketing system.

Organizational changes in system.--Major changes are taking place in the structure of the marketing system--for example, in the number, size, and location of marketing firms, the ownership of these firms, and the extent to which they are diversifying. These changes are having a pronounced impact on the kinds of buyers to whom farmers can sell, the terms and conditions of sales, and, consequently, on marketing costs and prices. (The effects of some of these changes on marketing costs are discussed in the commodity reports summarized later in this statement.)

While sales volume of agricultural products continues to increase, the number of firms in most processing and distributing activities has declined steadily for several years. Shifts in ownership or control have resulted in the consolidation of existing companies. A pilot study of 235 large food marketing corporations indicates that about one-third acquired one or more companies by merger during the period 1947-56. This survey has been extended to cover a large sample of processing and distributing firms. A study dealing with the pattern and diversification of ownership showed that the largest 2 percent of all food marketing companies account for over 40 percent of all employment in assembly, processing, wholesaling, and retailing of food products. Also, a number of these larger companies have diversified their operations.

Growing emphasis on specification buying.--Several studies have shown that the buying practices of these large companies are emphasizing the necessity for individual producers or producer groups to furnish large lots of uniform-quality products and a stable supply from season to season. The specifications as to product quality and uniformity are, in many cases, becoming more narrowly defined. Procurement of many commodities by retailers is continuing to shift from wholesale markets to processors, assemblers, and, in some cases, individual farmers.

Research--an aid to management.--With the changes that are taking place in marketing costs, more information is needed on the reasons why marketing costs are what they are and how they can be reduced or be kept from rising, in view of the continued increases in wage rates, transportation rates, and other costs of marketing firms. We are collecting cost data from marketing firms. Various methods of analysis are being used to provide managers of these firms with information on how the efficiency of their operations can be improved. Under competitive conditions, cost savings achieved by marketing firms can benefit both farmers and consumers.

Improved organization of the marketing system also can lower per-unit costs of marketing farm products. More direct methods of marketing many farm products have lowered costs by eliminating some buying and selling transactions, physical movements, and transfers of products; and have facilitated maintenance of quality during the marketing process. However, changes in procurement and specification buying under contract arrangements are weakening the position of many traditional markets as pricemaking centers. Studies have been completed or are under way in several commodity areas to improve the efficiency with which prices are determined and to supply needed information to those buying and selling farm products.

RESULTS AND PROGRESS OF SPECIAL PRICE SPREAD STUDIES

Several special studies of margins and costs were completed last year. In these studies, price and cost data were collected for specific lots of products as they moved through the marketing system. Other studies were conducted chiefly to develop sources of price data from which to compute current farm-retail spreads for a large number of food products. From these data, we also are able to estimate how the spread is divided among the various marketing agencies. A substantial amount of information on costs and margins for marketing farm products is now available. To improve public understanding of the factors associated with changes in food prices, increased emphasis has been placed on dissemination of these data.

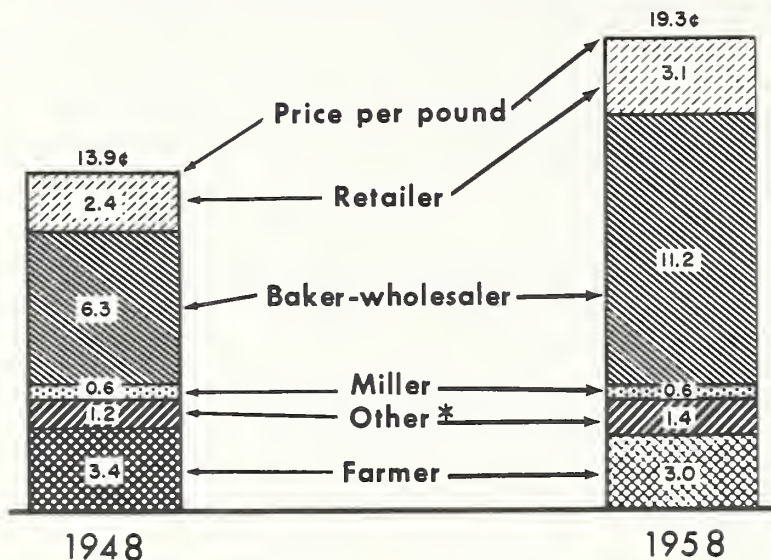
Some of the research findings from these studies of individual products and product groups are presented in the following pages of this report.

White Bread

Bread prices in New York and in West Coast cities climbed almost 2 cents per pound in the latter part of 1958, a sharp rise which cannot be explained by increases in costs. During 1958, the average U. S. price of a pound loaf of white bread rose by 0.5 cent. Retail prices of bread have risen more in the postwar period than those of any other major food product except coffee.

Between 1948 and 1958, the retail price of a 1-pound loaf of white bread rose from 13.9 cents to 19.3 cents, an increase of 39 percent (fig. 5). During this period, the farm value of all ingredients declined 0.4 cent. The farm value of the wheat equivalent to a 1-pound loaf moved downward from 2.6 cents to 2.4 cents. The farmer's share, expressed as a percentage of the retail

CONSUMER'S BREAD PRICE



* OTHER HANDLERS AND PROCESSORS
1958 DATA PRELIMINARY

U. S. DEPARTMENT OF AGRICULTURE,

NEG. 8318-59 (1)

AGRICULTURAL MARKETING SERVICE

Figure 5

price, decreased from 24 to 16 percent for all ingredients, and from 19 to 12 percent for wheat. Consequently, each year more of the consumer's dollar spent for bread is going to pay for services performed by the marketing system. The possible effect on the price of bread if the price of wheat were at parity levels is shown in figure 6.

The margin of the baker-wholesaler in 1958 accounted for 58 percent of the retail price. During the 1948-58 period, this margin rose 4.9 cents, or 91 percent of the entire increase of 5.4 cents in the retail price. The widening of this margin may be attributed largely to higher charges for the baking and wholesaling operations, excluding ingredient costs. Rises in wage rates, salaries, and commissions contributed to the increase.

Retail margins also widened by 0.7 cent; however, the percentage of the retail price accounted for by the retail margin declined from 17 to 16 percent.

The flour miller's margin remained at 0.6 cent for all but one year of this period. Charges for transportation, storage, and handling of grain, and for the processing of ingredients other than wheat rose slightly between 1948 and 1958.

CONSUMER'S BREAD PRICE

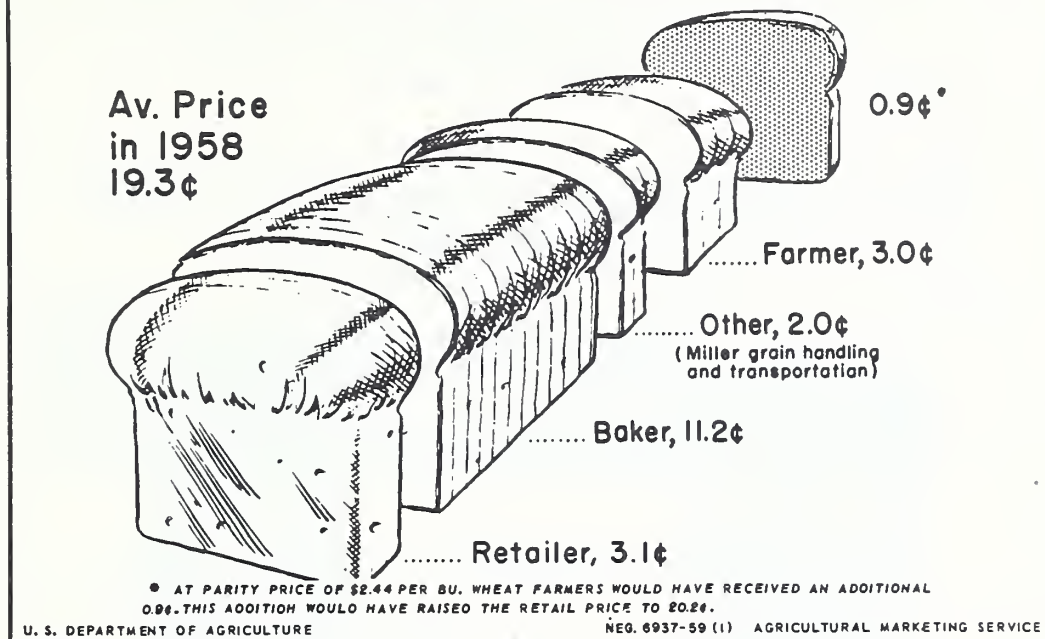


Figure 6

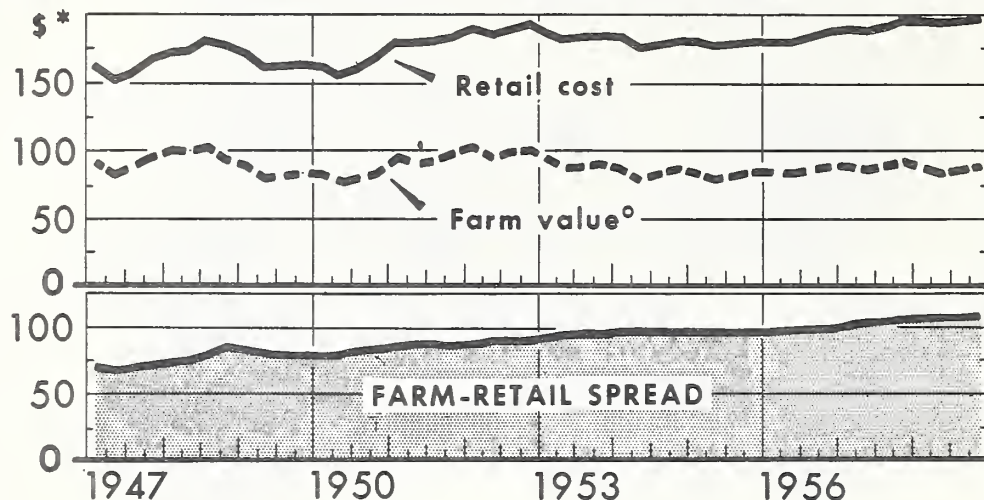
Dairy Products

Dairy products.--The retail cost of the dairy products group in the market basket increased \$3, or 1 percent, to a new high in 1958. The farm value dropped \$1 and the marketing margin increased \$4. The farmer's share declined slightly, from 46 to 45 percent. The margin has increased every year since 1950 (fig. 7).

The farm-retail spread increased from 1957 to 1958 for each item in the dairy products group, but the farm value decreased for each item. However, decreases in farm prices did not offset the margin increases, so retail prices increased for all items except butter. The farmer's share decreased for each item except ice cream, which remained unchanged.

Fluid milk.--Retail prices for fluid milk on a single-quart basis averaged 24.8 cents in 1958--a record high. The increase in 1958 was less than increases in 1956 and 1957. The farmer's share of the retail price in 1958 was 10.7 cents, which was 0.2 cent lower than in 1957, 1.2 cents below the 1952 high, and 0.5 cent above the post-Korean low of 10.2 reached in 1955. The marketing margin has risen an average of 5 percent a year since 1950. It rose from 13.3 cents in 1957 to 13.8 cents in 1958, about the same rise as in 1956 and 1957.

RETAIL COST, FARM VALUE, AND SPREAD



QUARTERLY DATA

* FOR AV. QUANTITY PURCHASED PER URBAN WAGE-EARNER AND CLERICAL-WORKER FAMILY, 1952

° PAYMENT TO FARMERS FOR MILK AND CREAM

U. S. DEPARTMENT OF AGRICULTURE

NEG. 4117-59 (1) AGRICULTURAL MARKETING SERVICE

Figure 7

Our study of price spreads in the Chicago market showed that shifts to the use of larger containers, sales of multiple-quart units at prices below the single-quart price, and increased sales through retail stores have had a significant effect on trends in marketing margins for all fluid milk. For Chicago, marketing margins based on the single-quart price for milk delivered to homes increased from 11.5 cents per quart in January 1947 to 16.5 cents per quart in December 1957. Based on a weighted average retail price for milk in different sizes of containers and in stores as well as delivered to homes, the marketing margin was 9.8 cents a quart in January 1947 and 12.1 cents a quart in December 1957, an increase of only 2.3 cents a quart compared with the 5.0-cent rise for single-quart deliveries to homes.

Our study of the operations of a group of 80 representative fluid milk processing and distributing firms showed that from 1952 to 1958 the unit value of products sold by fluid milk distributors remained fairly stable. Although the price per quart paid by consumers rose, shifts in sales outlets toward sales in larger containers and to wholesale outlets, both at lower prices, held steady the unit value of sales by fluid milk processing and distributing firms.

In 1958, fluid milk distributors' total operating costs per unit of product rose about 3 percent. The change was due chiefly to the increase of more than 4 percent in salaries, wages, and commissions per unit of product. Raw-material costs were up 1.1 percent; rent, repairs, and depreciation, 0.7 percent; and "other" expenses, 3.6 percent. Operating supplies showed no change, and only container costs decreased, by 0.8 percent.

From 1952 to 1958, costs of raw materials per unit sold by fluid milk distributors decreased 9 percent, operating costs per unit rose 20 percent, and net profits per unit, before income taxes, fell 36 percent (fig. 8). The decline in the unit costs of raw materials was caused by the drop of 11 percent in the cost of raw milk and cream purchased from farmers. Unit costs of other raw materials rose 6 percent from 1952 to 1958.

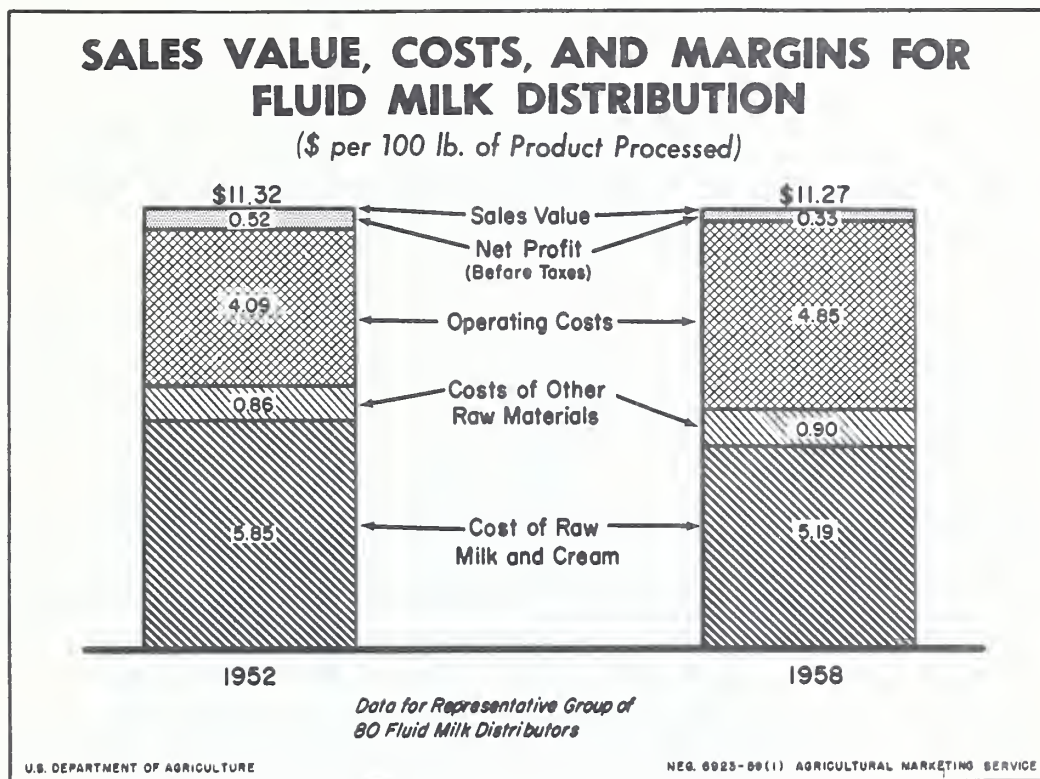


Figure 8

Sales volume of plants covered by this study has grown more than a third since 1952. The average volume of product processed per distributor plant in the first quarter of 1958 was 42 percent larger than in the first quarter of 1952, and value of sales was up 39 percent. For this period, medium-size firms increased most in volume, 57 percent, as compared with 34 percent for large firms and 37 percent for small firms. The increase in value of sales was 55 percent for medium-size firms, 48 percent for small firms, and 28 percent for large firms.

During the same period, nonfarm consumption of milk in the United States increased by 17 percent. This rise accounts for a little less than half the growth in average volume of milk distributing plants. The remainder resulted from the absorption of volume from other plants, some of which went out of business.

Cheese.--Both the wholesale price and the farm value of American processed cheese declined in 1958. The farm value at 28.1 cents per pound was down

0.7 cent from the 1957 level; the wholesale price at 36.0 cents was down 0.5 cent. However, the wholesale-retail price spread increased by 0.9 cent, more than offsetting the decline in the wholesale price. As a result, the retail price increased 0.4 cent to 58.0 cents. The farmer's share of the retail price dropped by 4 percentage points to 48 percent.

Retail prices and marketing margins--particularly wholesale-retail margins--for natural American cheese vary widely from lot to lot. Our case studies of the marketing of Cheddar cheese produced and distributed in the southeastern United States showed that wholesale prices and farm values were fairly uniform, but that wholesale-retail spreads varied from as little as 1.0 cent per pound for cheese sold as a weekend special in a supermarket to as much as 30.0 cents per pound in small crossroads country stores. As a result, retail prices ranged from 39 cents to 69 cents per pound and the farmer's share of the retail price ranged from 56 percent to 31 percent. Prices received by cheese plants ranged only from 35 cents to 36.5 cents.

Another study, conducted in the Midwest, indicated that wide differences in margins for natural Cheddar cheese are associated with differences in marketing channels and services. Part of one lot of cheese sold in 16½-ounce packages had a marketing margin of 29.8 cents, compared with 52.2 cents for the part sold sliced in 6-ounce packages.

Nonfat dry milk.--The average retail price per pound of instant nonfat dry milk, as shown by the prices developed through cooperation with the Bureau of Labor Statistics, rose 1 cent in 1958, while the average farm value of the equivalent amount of skim milk fell 1.0 cent. Thus the marketing margin rose 2 cents per pound while the farmer's share fell from 19 percent to 16 percent of the retail price.

Information obtained during our study of marketing practices and costs for nonfat dry milk shows that relatively few firms package instant nonfat dry milk for retail sale. The major part of the sales of nonfat dry milk in consumer packages is concentrated in the hands of a few firms. The heavy promoting and advertising costs involved in developing a market for instant powder in consumer packages discourage other firms from entering the field.

Butter.--The marketing margin for butter rose to 23.1 cents in 1958, an increase of 0.5 cent from 1957, while the retail price declined 0.1 cent and the farm value fell 0.6 cent.

There is no pronounced trend in the marketing margin for butter. It tends to be greater in amount but smaller proportionately in years when the retail price is high. From 1950 to 1958, it moved within a range of about 3 cents and showed less tendency to increase than margins for most other food products.

The increase in the marketing margin for butter during 1950-58 was in the wholesale-retail component, which increased 5 cents between 1950 and 1958. During the same period, the farm-wholesale component decreased 1.9 cents.

To gain greater understanding of the marketing process, 10 shipments of butter were studied in 1957-58. Eight of these shipments or parts of shipments

were distributed in pound or half-pound packages through retail stores, with the farm-retail margins ranging from 13.8 to 22.2 cents a pound. A part of one shipment was sold to consumers from home-delivery routes of milk distributors. The marketing margin in this case was 21.1 cents. Parts of two shipments which were sold in bulk for use in bakery products had total margins of 9.2 and 13.6 cents. Parts of two other shipments were printed in patties of various sizes for use by restaurants, the total marketing margins in these cases being 13.1 and 21.8 cents (figs. 9 and 10).

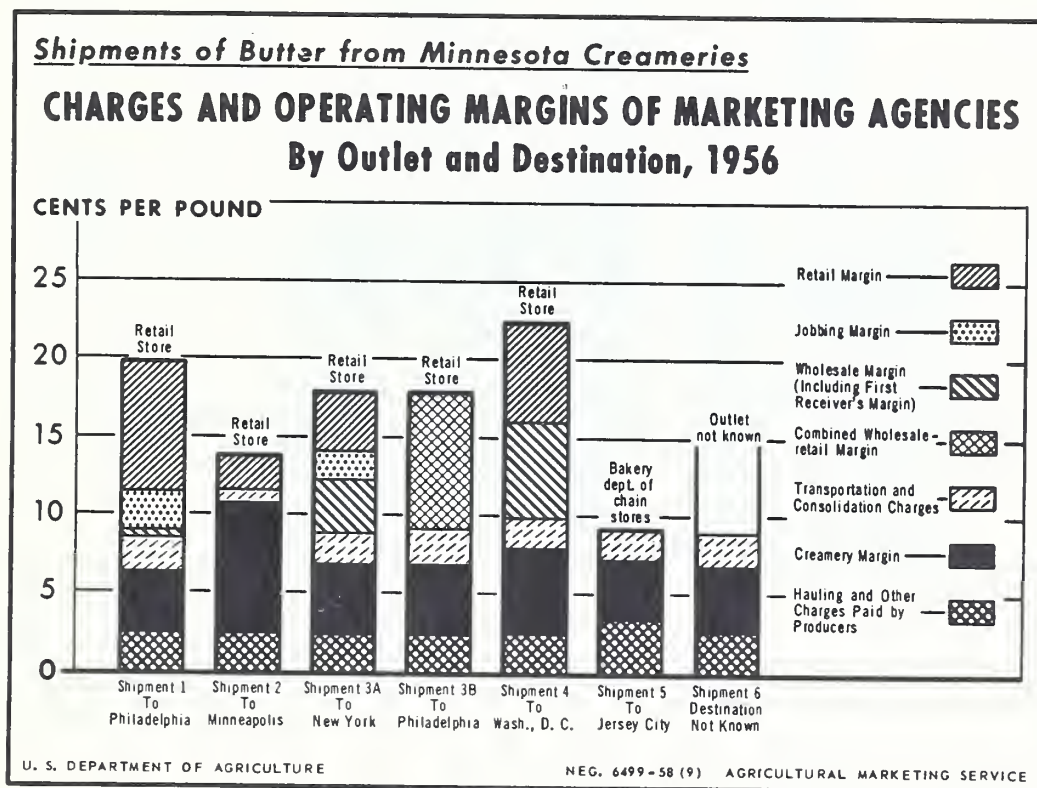


Figure 9

Fruits and Vegetables

Price movements of fruits and vegetables during the last year illustrate the effect of reduced supplies on market prices. Farm prices of the "all fruits and vegetables" group in the market basket averaged 8 percent higher than in 1957; retail prices were up 7 percent. Farm prices of fruits and vegetables for fresh use were up 12 percent. Most of the increase in retail and farm prices occurred during the first half of the year and was due primarily to adverse weather conditions in Florida. Below-freezing temperatures, flooding rains, and high winds from mid-December 1957 through February 1958 severely damaged citrus fruits and potatoes, and destroyed most of the tender types of vegetable crops.

Shipments of Butter from Iowa Creameries

CHARGES AND OPERATING MARGINS OF MARKETING AGENCIES By Outlet and Destination, 1956

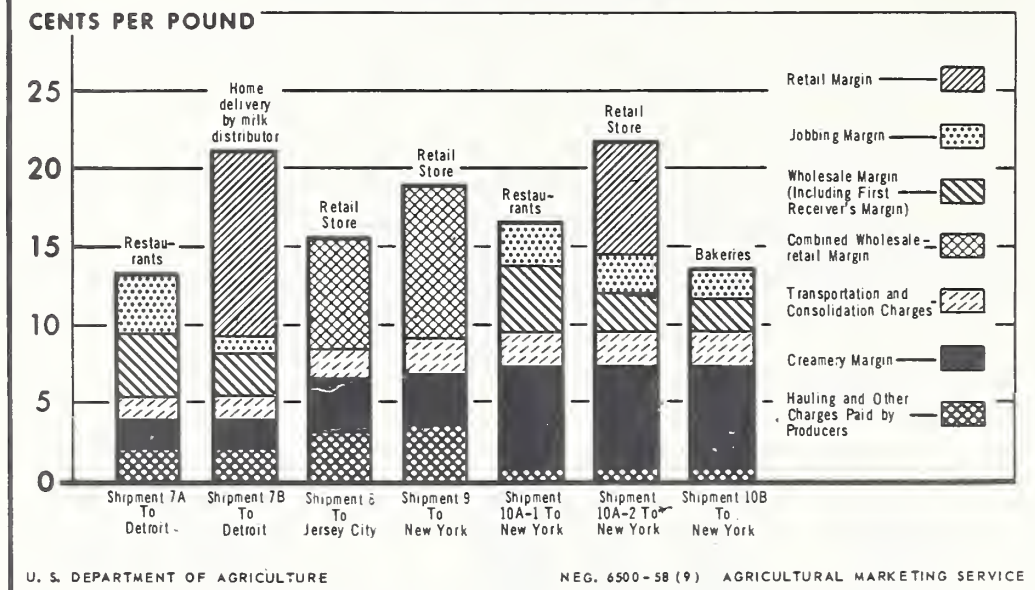


Figure 10

Marketing charges for fruits and vegetables increased again in 1958, as they have in 8 of the last 10 years. Marketing charges were 6 percent higher for 1958 than for 1957, and 34 percent higher than during the 1947-49 period. Marketing charges are a larger component of the retail price for fruits and vegetables than for most other farm food products. The increase in marketing charges has resulted mostly from increases in the costs of performing marketing services and from added marketing services.

Some of the variations in the costs, services, and marketing patterns for various fruits and vegetables are illustrated in studies of potatoes, oranges, and apples.

Late-crop potatoes.--While retail prices for late-crop potatoes increased in 1958, there was relatively little change in the marketing margin, and most of the increase in retail prices was reflected in grower returns (fig. 11). Retail prices for late-crop potatoes averaged higher in Atlanta, Chicago, Los Angeles, and New York City in the October 1957-April 1958 period than during the previous season. The largest increase was in Chicago, where the average retail price was 25 percent higher, at \$7.39 per 100 pounds, compared with \$5.91 per 100 pounds during 1956-57.

Total marketing margins in the four cities changed little between the two seasons, increasing slightly in Atlanta, Chicago, and New York City, and decreasing in Los Angeles. The largest change was in Chicago, where the marketing margin for late-crop potatoes increased an average of 48 cents per

100 pounds, in part because Western Russet potatoes made up a larger proportion of the potatoes marketed in Chicago. The retail margin for late-crop potatoes was 46 cents higher in Chicago and 18 cents lower in Los Angeles than in 1956-57. Returns to growers for late-crop potatoes marketed in the four cities during the 1957-58 season ranged from 28 to 34 percent of the retail price, compared with 18 to 24 percent for 1956-57.

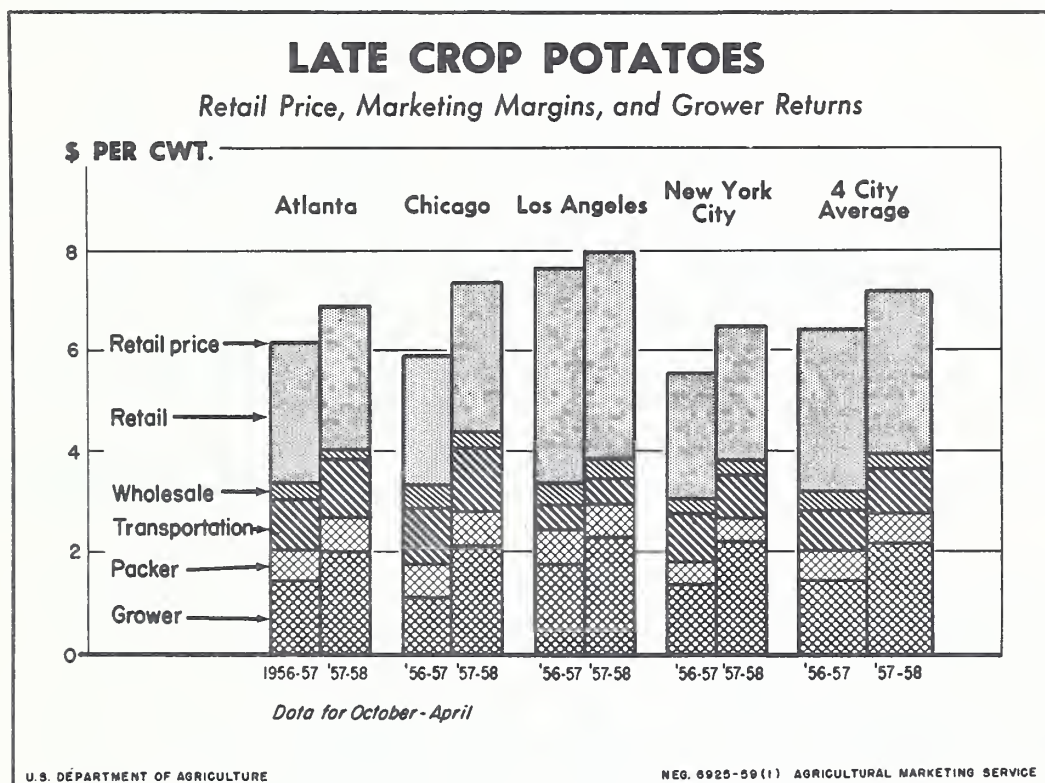


Figure 11

Florida oranges.--The retail price for frozen orange concentrate declined during the 5-year period from 1952-53 through 1956-57, while prices for fresh oranges and canned single-strength juice increased. During the November 1956-May 1957 period, the retail price for frozen concentrate in Chicago averaged 18.3 cents per 6-ounce can, ^{2/} compared with 19.1 cents for canned single-strength juice and 23.0 cents for fresh oranges in quantities that would supply an equal quantity of juice to the consumer. ^{3/} This relationship between prices changed somewhat during the 1957-58 period (table 3).

^{2/} Retail prices reported by the Bureau of Labor Statistics, represent mainly nationally advertised brands of orange concentrate. Processors' selling prices for nationally advertised brands are somewhat higher than prices received for other brands. Thus, although the data reflect changes that have taken place between the two periods, the processor's margin is slightly higher than that for all concentrate.

^{3/} Prices quoted for 24-ounce juice equivalents, i.e., 6-ounce can of frozen concentrate, 24-ounce canned single-strength juice, and 3 pounds of fresh oranges.

Table 3.--Florida oranges: Retail prices, marketing margins, and grower returns for 24-ounce juice equivalents, Chicago and New York City, November-May 1956-57 and 1957-58

Item	Chicago			New York City		
	Fresh oranges:	Canned single-strength juice	Frozen concentrate	Fresh oranges:	Canned single-strength juice	Frozen concentrate
	Cents	Cents	Cents	Cents	Cents	Cents
<u>1956-57</u>						
Retail price <u>1/</u>	23.0	19.1	18.3	27.4	18.8	18.1
Marketing margin:						
Wholesale-retail margin <u>2/</u> ...	10.0	3.2	4.4	12.7	2.5	4.2
Transportation charges <u>3/</u> ...	4.4	4.1	1.0	4.6	4.5	.9
Packing costs or processor's margin <u>4/</u>	3.3	6.2	5.9	3.3	6.2	6.0
Packing and hauling <u>5/</u>	1.4	1.3	1.3	1.4	1.3	1.3
Total.....	19.1	14.8	12.6	22.0	14.5	12.4
On-tree return to grower <u>6/</u> ...	3.9	4.3	5.7	5.4	4.3	5.7
<u>1957-58</u>						
Retail price <u>1/</u>	26.3	17.5	22.0	31.8	17.3	22.5
Marketing margin:						
Wholesale-retail margin <u>2/</u> ...	10.5	2.7	4.0	16.1	2.5	4.5
Transportation charges <u>3/</u> ...	4.1	3.9	1.0	4.0	3.9	.9
Packing costs or processor's margin <u>4/</u>	3.6	6.9	10.4	3.6	6.9	10.5
Packing and hauling <u>5/</u>	1.5	1.5	1.6	1.5	1.5	1.6
Total.....	19.7	15.0	17.0	25.2	14.8	17.5
On-tree return to grower <u>6/</u> ...	6.6	2.5	5.0	6.6	2.5	5.0

1/ Average price first 3 days of the week containing the 15th of each month. Bureau of Labor Statistics.

2/ Fresh: Retail price less terminal selling charges and auction price. Canned: Retail price less transportation charges and f.o.b. cannery price. F.o.b. cannery price for week containing 1st of each month, reported in "Canning Trade" magazine.

3/ Rail freight from Lake Wales, Fla., plus standard refrigeration charges for fresh and frozen; includes 3 percent Federal transportation tax.

4/ Fresh: Spurlock, A. H., and Hamilton. Costs of Packing and Selling Florida Fresh Citrus Fruits, 1956-57 Season. Agr. Econ. Mimeop. Rpt. No. 58-6, Fla. Expt. Sta., Gainesville, Fla., and unpublished estimates for 1957-58. Canned: F.o.b. cannery price less weighted average delivered-in price paid by processors. Frozen: Ex-key warehouse price less transportation charges and weighted average delivered-in price paid by processors.

5/ Spurlock, A. H. Costs of Picking and Hauling Florida Citrus Fruits, 1956-57 Season. Agr. Econ. Mimeo. Rpt. No. 58-7, Fla. Expt. Sta., Gainesville, Fla., and unpublished estimates for 1957-58.

6/ Fresh: Retail price less total marketing margin. Canned and frozen: Weighted average delivered-in price paid by processors less picking and hauling costs.

The reduced production of oranges in 1957-58 raised prices of frozen concentrate proportionately more than those of fresh oranges, but prices of canned juice declined. A part of the orange crop ordinarily used for concentrate did not meet the necessary quality standards and was used for canned juice instead. The retail price for frozen concentrate showed the largest change between the two periods, with a 20-percent increase in Chicago and a 24-percent increase in New York City. In contrast, fresh oranges were 14 percent higher in Chicago and 16 percent higher in New York City than a year earlier, while prices of canned single-strength juice were 8 percent lower in each city.

The total marketing margin for frozen orange concentrate was substantially higher during the November 1957-May 1958 period than a year earlier. It was 17.0 cents per 6-ounce can in Chicago in 1957-58, compared with 12.6 cents for the same period a year earlier, and 17.5 cents in New York City compared with 12.4 cents for the same period a year earlier. This substantial increase was due primarily to the increased gross margin of the processor, which reflected gains in values of inventories held during the 1958 period of rising prices. Processors with frozen concentrate stocks on hand at the time of the freeze received gains on inventory in 1957-58, just as they sustained losses when prices declined during the previous year. Total margins for fresh oranges and canned single-strength juice increased somewhat between the two periods for both Chicago and New York City. The largest increase was for fresh oranges marketed in New York City.

The wholesale-retail margin for fresh oranges was substantially higher in each season than for canned or frozen juice (fig. 12). Retailing margins for handling fresh produce are generally higher than for canned and frozen products. The cost of processing oranges into juice is higher than the cost of packing fresh oranges. The relative size of these margins reflects the perishable nature of fresh oranges and the extensive preparation, packaging, and storage required for frozen concentrate and canned juice. For frozen concentrated juice, rail transportation charges from Florida to New York or Chicago are less than a fourth as much for an equivalent 24 ounces of juice as for canned juice or fresh oranges. Thus, additional processing of oranges into frozen concentrated juice does not increase the total margin and retail price. We plan to study other processed products to determine the overall effect of processing on marketing costs and prices.

Appalachian Red Delicious apples. --Total packing and marketing charges for Red Delicious apples, packed in tray packs in the Winchester, Va., area and delivered to Philadelphia retail stores, averaged \$2 per carton, or 44 percent of the price paid by retail stores. Net returns to growers after deducting packing and selling expenses averaged \$2.57 per carton (table 4).

During the 1957-58 season, total costs for packing apples in 7 Appalachian packinghouses averaged \$1.11 for tray packs, \$1.20 for the Northwest box, \$1.13 for master cartons of twelve 4-pound bags, and \$0.93 for cartons of nine 5-pound bags. Packing materials accounted for almost 60 percent of total packing costs. Labor and overhead costs were approximately equal, each comprising slightly over 20 percent of the total packing costs.

FLORIDA ORANGES

Retail Price, Marketing Margins, and Grower Returns

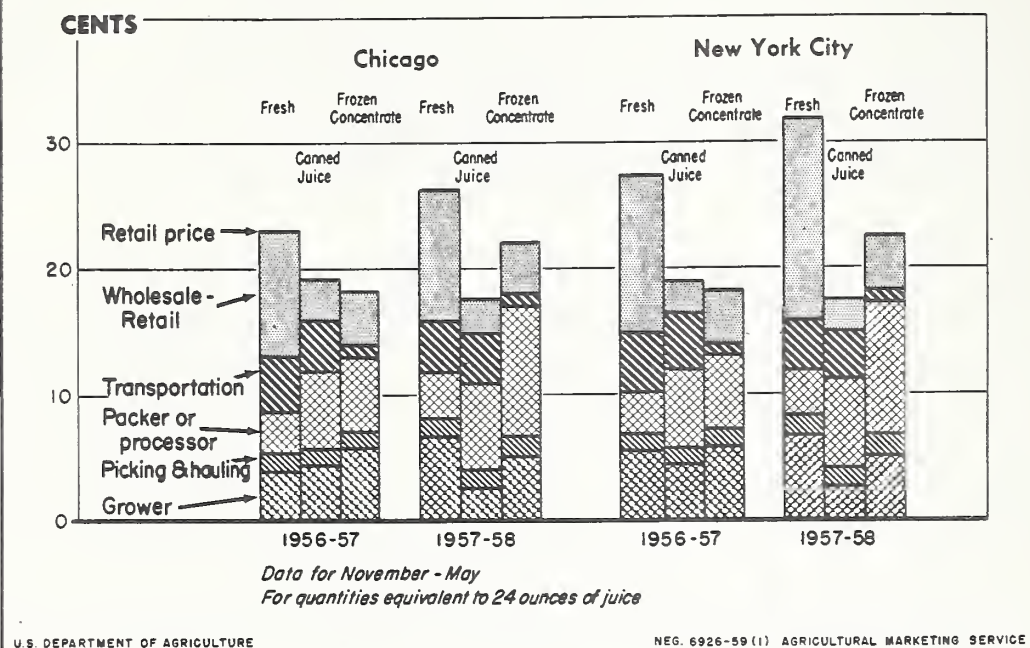


Figure 12

Table 4.--Marketing Appalachian apples in Philadelphia: Average costs and returns, U. S. Fancy Red Delicious, 1958

Item	Average cost or return per tray-packed carton (44 pounds)	
	Dollars	Percent
Delivered price to:		
Philadelphia retail stores.....	4.56	100
Wholesale margin 1/.....	.46	10
Transportation.....	.26	6
Gross return f.o.b. packinghouse...	3.85	84
Selling cost.....	.17	4
Packing cost.....	1.11	24
Net returns to growers.....	2.57	56

1/ Wholesale margin computed as 10 percent of the delivered price. This was the prevailing price reported by grower-packers in the area.

Livestock

From 1957 to 1958, annual average farm-to-retail marketing margins for all livestock (beef, pork, and lamb) increased from 27.4 cents per retail pound to 29.5 cents. This continued the upward trend in marketing margins which began in 1945 (fig. 13). The farm-to-retail price spread for U. S. Choice grade beef increased substantially from 1957 to 1958, widening 3.4 cents per retail pound. Marketing margins for pork were 27.7 cents per retail pound in 1958, compared with 27.0 cents in 1957. Farm-to-retail marketing margins for U. S. Choice grade lamb were 2.0 cents per pound higher in 1958 than in 1957.

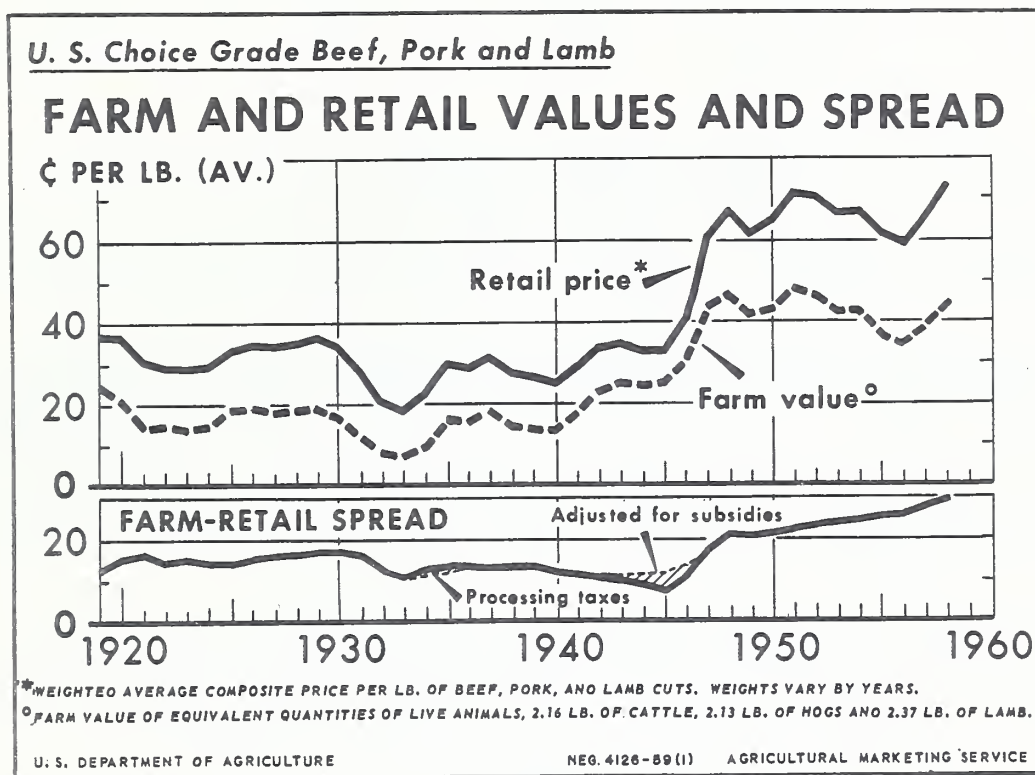


Figure 13

For several years, data have been published quarterly on component margins for beef, pork, and lamb. Special studies published during the last year provided information on marketing charges at livestock auctions and terminal markets, and on producers' costs of transporting livestock by for-hire truck from the farm to market. Data on costs and charges on a national basis have been analyzed for the first time. They cover terminal markets in 1954 and auction markets and producers' transportation costs in 1955. Plans are being developed to obtain operating cost information for meatpacking that will determine factors affecting operating efficiency.

Marketing charges at livestock auctions.--Charges for marketing livestock at auctions vary according to the number and kinds of services performed

and the method used in levying rates. Services provided at auctions may include selling, yardage, weighing, insurance, brand inspection, and health inspection. Although these services are not all furnished at many auctions, a commission or selling fee is always charged. This single fee, however, may cover charges for yardage and weighing in addition to the selling service. Rates are levied either on a per-head basis, as a percentage of sales value, or by a combination of the two methods.

Auction operators most often made their charges on a per-head basis for all kinds of livestock. Auctions handling a relatively large volume of sales predominantly set their rates in this manner. The most common per-head charges, covering all services, ranged from \$1.50 to \$2.00 for cattle, \$1.00 to \$1.50 for calves, 50 to 60 cents for hogs, and 40 to 50 cents for sheep and lambs. The most usual percentage charges covering all services were 3 and 5 percent for all species.

Average marketing charges at all auctions, including those making per-head charges and percentage charges, were \$2.25 per head for cattle, \$1.27 per head for calves, 63 cents per head for hogs, and 42 cents per head for sheep and lambs. In terms of percentage of value of livestock sold at auctions, these charges averaged 2.4, 2.8, 2.7, and 3.1 percent, respectively, for cattle, calves, hogs, and sheep and lambs.

Marketing charges at terminal public markets.--Marketing charges at terminal markets are associated with the facilities and services provided by the various agents for different lots of animals. The stockyard companies charge for use of the yards, feed, bedding, and services. Commission agents levy fees for selling and buying livestock on a per-head basis. The livestock dealer's profit margin is a part of the total marketing charge for livestock at terminal markets.

Average per-head marketing charges paid by producers on animals initially sold at terminal markets were \$2.33 for cattle, \$1.25 for calves, 77 cents for hogs, and 50 cents for lambs. When the indirect costs of dealer handlings for resales at terminal markets were allocated to the initial sales of livestock, total per-head marketing costs amounted to \$2.74 for cattle, \$1.61 for calves, 88 cents for hogs, and 58 cents for lambs.

Trucking costs.--Transportation costs for moving livestock from the farm to the point of sale comprise a sizable part of the total marketing costs for livestock. Of the \$207 million paid by producers in 1955 for livestock marketing services, an estimated \$87 million was for the cost of motortrucks hired to move livestock from farms and ranches to market.

Costs for hauling livestock in for-hire trucks to terminal markets were greater than they were to auction markets. Livestock sold by farmers are usually hauled greater distances to terminals than to auctions (table 5).

Table 5.--Average trucking expense per head of livestock hauled to market in motortrucks hired by farmers and ranchers, and average distance handled, by market outlets and by species, 1955

Kind of livestock	Average trucking expense		Average distance	
	Terminal markets	Auction markets	Terminal markets	Auction markets
	Dollars	Dollars	Miles	Miles
Cattle.....	3.38	1.51	120	29
Calves.....	1.43	.87	92	21
Hogs.....	.74	.38	75	23
Sheep and lambs...	.96	.38	154	35

Poultry and Eggs

Poultry and eggs are the only major group of farm foods for which farm-retail price spreads have declined in recent years. The decreases have been slight, but further decreases in the next few years are possible. Farm and retail prices have dropped substantially during the last decade. Along with these price drops has come a substantial increase in interregional competition and marked changes in the organization of production and marketing of poultry and eggs.

Eggs.--Retail prices and farm values of eggs increased in 1958, contrary to the generally downward trend since 1949. Farm-retail price spreads have fluctuated within the narrow range of 17.8 cents a dozen (in 1953) to 20.4 cents (in 1952). The 1958 average spread of 19.4 cents, although 1.1 cents above the 1957 spread, was only 0.5 cent above the 1949-58 average of 18.9 cents a dozen. The farmer's share of the retail price also has fluctuated within the relatively narrow range of 67 percent to 73 percent. It was 67 percent in 1958.

Differences in farm-retail price spreads among large United States cities are pronounced. Among the nine cities included in a special margins study, farm-retail spreads on Grade A large eggs in 1958 were lowest in Los Angeles, 18.0 cents a dozen, and highest in New York, 28.9 cents a dozen. The other cities in the study are Atlanta, Baltimore, Boston, Chicago, Cleveland, St. Louis, and San Francisco. Collection of data on prices and margins in a tenth city, Washington, D. C., began in July 1958. Margins in Washington in the last half of 1958 were close to the average of the nine cities in the same period.

The major factors contributing to the sharp differences in marketing margins among cities include transportation costs from major producing areas; the efficiency of assembling, grading, cartoning, and distributing eggs; and retail store policies on markups. The spread between prices received by farmers and prices paid by retail stores in 1958 ranged from 7.3 cents a dozen in Los Angeles to 16.7 cents a dozen in New York City. In Los Angeles, eggs move directly from relatively few large, nearby, specialized egg ranches to

integrated assembler-grader-distributors and then to retailers. New York City, on the other hand, must obtain large volumes of eggs from distant producing areas in the Midwest. Adoption of modern marketing practices is only beginning in this city. Large volumes of eggs still go through as many as five different handlers in moving from midwestern farms to consumers in New York City. The city also had the highest average retail store margin on eggs, 12.2 cents a dozen, in 1958. In contrast, retail store markups averaged only 5.8 cents a dozen in Chicago and 7.8 cents a dozen in Baltimore.

Chicken fryers.--Retail prices and farm values of chicken fryers have declined sharply since 1949 (fig. 14). They reached new lows in 1958. Farm-retail spreads also decreased slightly in 1958 to 21.9 cents a pound, ready-to-cook basis. During the decade 1949-58, farm-retail spreads varied in the narrow range of 21.1 cents to 23.0 cents a pound and averaged 22.1 cents.

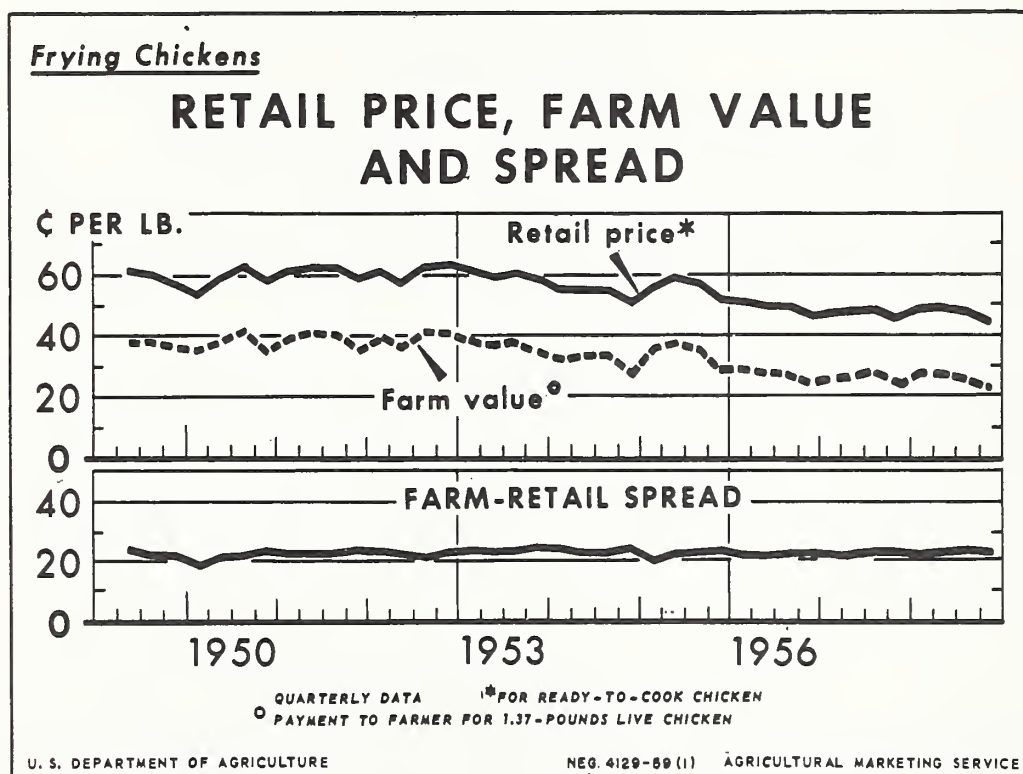


Figure 14

Poultry processing and distributing firms have achieved reductions in margins at the same time that they have increased marketing services to retailers and consumers, improved product quality, and paid higher wages and higher prices for other production items. They have done this chiefly by adopting improved technology and distribution practices. Further improvements in both production and marketing efficiency are likely in the near future.

Special cost studies.--Results of several special studies of margins, costs, and efficiency in the marketing of poultry and eggs became available in 1958. A study, in cooperation with the New Hampshire and Massachusetts agricultural experiment stations, of costs and economies of scale in New England poultry processing plants shows clearly how the region's plants can reduce costs by nearly \$4 million annually. Processing costs per bird decline rapidly as plant size increases from 150 to 3,000 birds an hour, and more gradually as size increases to 10,000 birds an hour. Total processing costs of about 3.6 cents a pound, ready-to-cook basis, are achievable through more efficient use of equipment and labor. This total is well below present costs of the most efficient plant in the region. The report on the study, to be published early in 1959 by the New Hampshire station, will set forth detailed specifications on plant equipment, labor usage, and costs. These specifications will provide detailed, practical guides to processors on how to reduce operating costs.

A study was made of egg candling and cartonning. With adequate quality controls throughout all egg production and marketing processes, it is practical to market eggs in eastern cities that have been cartoned in midwestern country plants. Cartonning at country plants also is economical, because it eliminates much of the physical handling of eggs necessary under most other marketing procedures, and frequently labor and building costs are lower than in large cities. Savings of several cents a dozen are possible. However, the need for quality control is particularly important, and this is one of the potent forces encouraging the trend toward vertical integration of egg production and marketing in the Midwest and elsewhere.

A special study showed that, in 1957, farm-to-retail price spreads in San Francisco were highest on chicken fryers and lowest on eggs among nine major United States cities. The low margins on eggs resulted primarily from (1) an efficient system of moving eggs from relatively few large, specialized egg "ranches" through only a few large, efficient assembler-distributors to retail stores; and (2) the frequent use of eggs by retailers in the Bay area as low-margin special sales items. In contrast, margins on fryers were high because of (1) high retail-store margins associated with the common practice in San Francisco of leasing poultry and meat departments on a concession basis to independent operations; (2) infrequent use of fryers by retailers as low-margin special sales items; and (3) the higher costs, compared with most of the other cities, of transporting large volumes of ready-to-cook fryers from southern plants.

In several special price-spread studies, Department research personnel have delved into the accounting methods of many poultry processing plants. Few plants have cost accounting systems which provide managers with the kinds and amounts of information on plant operations essential to the early detection of operating inefficiencies and to remedial action. Lack of information is a frequent cause of costly errors in business planning. For these reasons, a private firm of accountants was employed, under contract, to develop a practical cost and financial accounting system for poultry processors. The new system is now being tested in actual operation in some 25 plants in 10 States. A manual describing the system in detail will be published on completion of this one-year test period.

Cotton and Tobacco Products

Margins and cost studies also are conducted for cotton and tobacco products, financed through appropriations of regular funds. Some of the highlights of these studies are as follows:

Cotton products.--A new series of farm-retail price spreads for cotton products was published last year. The spread between the retail cost of 25 representative items of cotton clothing and household furnishings and the farm value of the cotton used in their manufacture declined slightly in 1958 to a level about 5 percent below the record high of 1948. Both the farm value of the cotton and the retail cost of cotton products in 1958 averaged about the same as in the preceding 5 years and were 22 percent and 6 percent, respectively, below record 1951 levels (fig. 15).

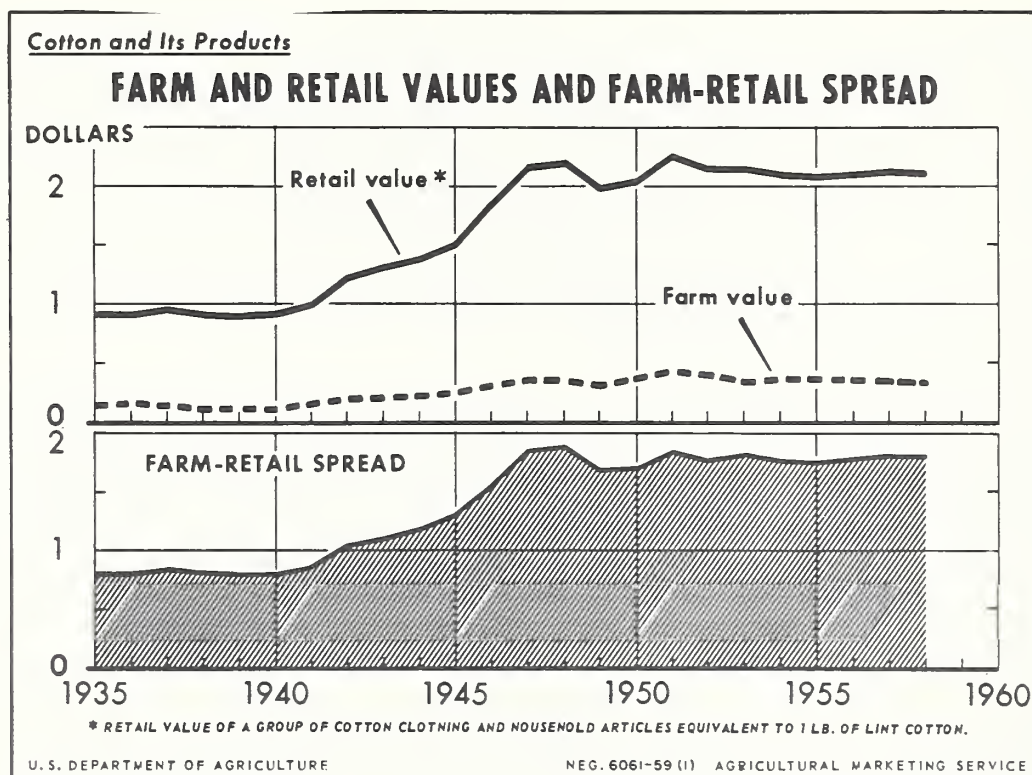


Figure 15

The farmer's share of the consumer's dollar spent for all cotton products averaged 15 percent in 1958, the same as in the preceding season, but below the 18 percent high of 1951 and 1952. The farmer's share of the consumer's dollar spent for individual items differed considerably from the average.

Although the share of the consumer's dollar going to all cotton marketing agencies combined has not changed greatly since 1947, several significant changes occurred in the margins of particular types of marketing agencies.

The gross margins per dollar of sales of manufacturers of 17 major constructions of unfinished cloth declined moderately in 1957-58, and, although still 5 percent above the recent low point of 1951-52, were 32 percent below the 1947-48 levels. In contrast, the gross margin for wholesale dry goods firms continued to increase in 1957, reaching a level 10 percent above 1947. Margins of retail dry goods stores in 1957 were about unchanged from the preceding season at a level 3 percent above 1947. Margins for merchandising raw cotton continued to rise moderately, reflecting higher charges for ginning, warehousing, and other services required in moving cotton from farms to mills.

Tobacco products.--Price inflation and technical changes have altered the relative dollar shares of the growers and marketing agencies (fig. 16). The grower's share of the consumer's price for "regular" cigarettes has increased from 10 to 15 percent since the period before World War II; likewise, the share of the wholesale and retail distributors, which rose from 15 to 22 percent, and the State excise taxes, up from 5 to 12 percent. The manufacturers' share declined from 26 to 19 percent, and the Federal excise tax from 44 to 32 percent. Cigarette prices have increased less than the average of consumer prices. Labor cost rates have increased, but labor cost per unit has been held down by increased volume and improved efficiency from new investments in plant and equipment.

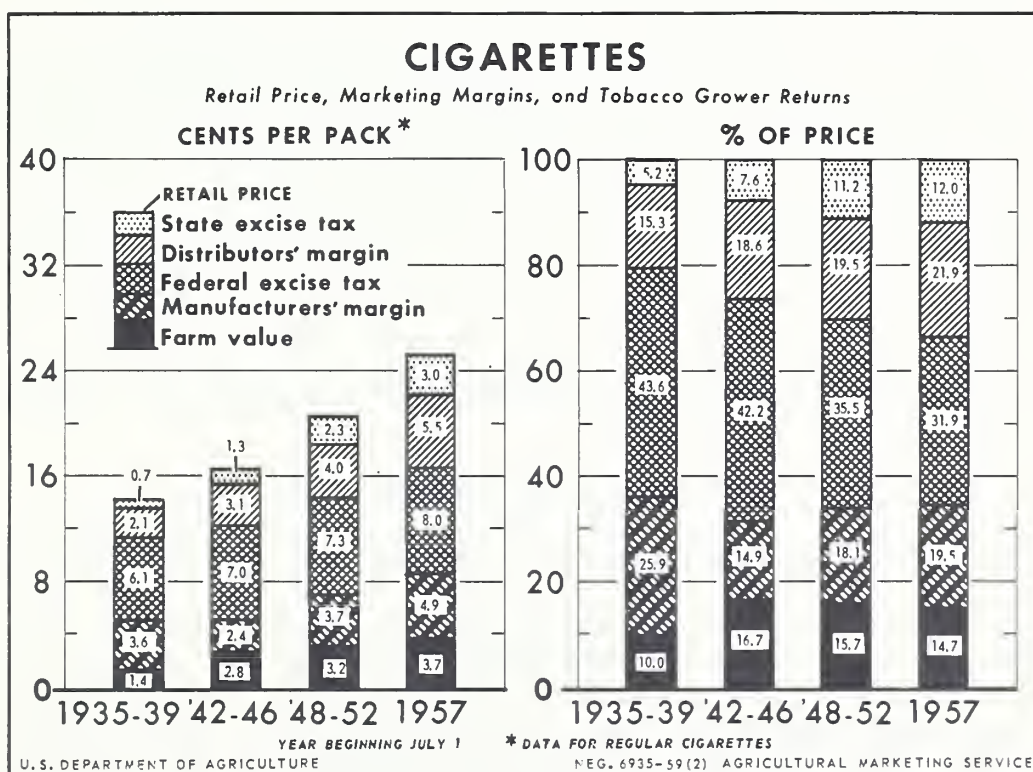


Figure 16

RECENT PUBLICATIONS ON MARGINS, COSTS, AND PRACTICES

Publications and Periodicals of the Agricultural Marketing Service, USDA

- The Probable Impact of Concentrated Milk on the Fluid Milk Market. Mktg. Res. Rpt. No. 208. Feb. 1958.
- Labor and Power Utilization at Cottonseed Oil Mills. Mktg. Res. Rpt. No. 218. Feb. 1958.
- Market Outlets for Livestock Producers. Mktg. Res. Rpt. No. 216. Mar. 1958.
- Livestock Auction Markets in the United States. Mktg. Res. Rpt. No. 223. Mar. 1958.
- Marketing Costs for Food. Misc. Pub. No. 708. Revised Mar. 1958.
- Marketing Meat-Type Hogs, Problems, Practices, and Potentials in the United States and Canada. Mktg. Res. Rpt. No. 227. Apr. 1958.
- Marketing Margins, Practices, and Costs for Soybean and Cottonseed Oils. Mktg. Res. Rpt. No. 231. May 1958.
- The Price of Milk. USDA Leaflet No. 409. Revised May 1958.
- Costs of Distributing Milk Through Vending Machines and by Retail and Wholesale Routes, Martinsburg, W. Va. Mktg. Res. Rpt. No. 229. May 1958.
- Electronic Blood Spot Detection in Commercial Egg Grading. Mktg. Res. Rpt. No. 239. June 1958.
- Farm-to-Retail Price Spreads for Fluid Milk in Chicago. Mktg. Res. Rpt. No. 246. June 1958.
- Marketing Costs and Margins for California Lettuce. Mktg. Res. Rpt. No. 225. June 1958.
- Marketing Long- and Medium-Grain Rice. Mktg. Res. Rpt. No. 251. July 1958.
- Costs of Marketing Florida Potatoes. Mktg. Res. Rpt. No. 233. Aug. 1958.
- Custom Feed Milling in the Midwest--Model Plant Operations, Costs and Charges. Mktg. Res. Rpt. No. 273. Sept. 1958.
- Formula Feed Warehousing--A Study of Improving Efficiency in Marketing Farm Feeds. Mktg. Res. Rpt. No. 268. Sept. 1958.
- Marketing Costs and Margins for Fresh Milk. Misc. Pub. No. 733. Revised Sept. 1958.

Farm-Retail Price Spreads for Cotton Products. Mktg. Res. Rpt. No. 277.
Oct. 1958.

Special Studies of Marketing Costs and Practices. Mktg. Res. Rpt. No. 240.
Oct. 1958.

Marketing Margins for Butter. Mktg. Res. Rpt. No. 289. Nov. 1958.

Costs of Packing Michigan Peaches in 1957. Mktg. Res. Rpt. No. 290. Dec. 1958.

Food Marketing Companies, Diversification and Structure. Mktg. Res. Rpt.
No. 291. Dec. 1958.

Trends in the United States Sugar Industry, Production, Processing, Marketing.
Mktg. Res. Rpt. No. 294. Dec. 1958.

Hired Truck Transportation in Marketing Livestock. Mktg. Res. Rpt. No. 297.
Dec. 1958.

Trading Stamps and Their Impact on Food Prices. Mktg. Res. Rpt. No. 295.
Dec. 1958.

Livestock Terminal Markets in the United States. Mktg. Res. Rpt. No. 299.
Jan. 1959.

Supplement to Comparative Economies of Different Types of Cottonseed Oil Mills
and Their Effects on Oil Supplies, Prices, and Returns to Growers.
Mktg. Res. Rpt. No. 54, Sup. Jan. 1959.

Costs of Marketing Appalachian Apples. Mktg. Res. Rpt. No. 300. Feb. 1959.

Flaxseed Marketing Practices and Costs at Country Elevators. Mktg. Res. Rpt.
No. 301. Feb. 1959.

Milk Distributors Sales and Costs. Quarterly.

The Marketing and Transportation Situation. Quarterly.

State Publications

Economies of Scale and Current Costs in New York Dressing Broilers and Fowl.
New Hampshire Agr. Econ. Res. Rpt. No. 20. Mar. 1958. (Processed.)

Costs for Handling Florida Oranges Shipped in Consumer Bags and in Bulk.
Florida Agr. Expt. Sta., Agr. Econ. Rpt. No. 58-12. June 1958.

Costs and Mechanical Injury in Handling and Packing Apples. West Virginia
Agr. Expt. Sta. Bul. No. 416. June 1958.

Transparent Egg Cartons vs. Paper Cartons. West Virginia Agr. Expt. Sta.
Bul. No. 413. June 1958.

Comparative Cost of Cutting and Packaging Chicken in the Retail Store Versus the Processing Plant. Maryland Agr. Expt. Sta. Misc. Pub. No. 331. Sept. 1958.

Packing Costs and Grading Efficiency in Florida and Alabama Potato Packing-houses. Florida Agr. Expt. Sta., Agr. Econ. Rpt. No. 59-7. Dec. 1958. (Processed.)

Articles in USDA Periodicals

Agricultural Marketing:

The St. Lawrence Seaway. Mar. 1958.
Warehousing Formula Feeds. Apr. 1958.
Marketing Costs for Lettuce. Apr. 1958.
Marketing Charges at Livestock Auctions. May 1958.
Mechanical Milkmen Must Work to Pay. June 1958.
Bigger Markets Mean Bigger Investments for Frozen Foods. July 1958.
A Yardstick for Custom Feed Mills. Aug. 1958.
Farm-Retail Spread for Cotton Products. Oct. 1958.
Marketing Meat-Type Hogs. Nov. 1958.
Big Changes in Marketing Lard. Nov. 1958.
Flaxseed Storage at Country Elevators. Dec. 1958.
Costs in Marketing Farm Products. Jan. 1959.
Consumers' Expenditures for Farm Foods. Jan. 1959.
Use of Trading Stamps in Marketing Food. Jan. 1959.
Marketing Margins for Butter. Feb. 1959.
Marketing Practices and Costs for Flaxseed at Country Elevators. Feb. 1959.
Irrigation as a Low-Cost Method of Sewage Disposal for Poultry Processors. Feb. 1959.

Agricultural Research:

The Widening Farm-Retail Price Spread. Feb. 1958.

Agricultural Situation:

Marketing Costs Stay High--Why? Feb. 1958.
Where Does Your Livestock Go? Apr. 1958.
Lettuce Growers Move with the Times. Sept. 1958.

The Marketing and Transportation Situation:

Marketing Costs and Margins for Processed Cheese. Apr. 1958. Reprinted as AMS-238.
Changing Technology in Egg Marketing. Apr. 1958. Reprinted as AMS-241.
Gains and Losses in Buying Turkeys on a Live-Price Basis. Apr. 1958. Reprinted as AMS-239.
Marketing Margins for White Bread. July 1958. Reprinted as AMS-263.
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